



Connecticut Business & Industry Association

**Testimony of Kia F. Murrell
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Before the Committee on Labor and Public Employees
Hartford, CT
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**H.B. 5061 AA Eliminating Credit Reports as a Basis for Employment
Decisions**

Good Afternoon Senator Prague, Representative Ryan and other members of the Committee. My name is Kia Murrell and I am Assistant Counsel for Labor & Employment matters at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies throughout the state of Connecticut, ranging from large corporations to small businesses, but the vast majority of our members are small businesses of fifty or fewer employees.

CBIA generally does not support legislation which increases the costs of doing business in the state; creates new administrative burdens for employers when making hiring or personnel decisions; or limits employers' flexibility when assessing the qualifications and fitness of job candidates.

Based on the above, we are concerned that H.B. 5061 may negatively impact Connecticut businesses in the following ways:

- It unnecessarily limits employers' ability to fully assess the fitness of potential job candidates by narrowly prescribing the circumstances in which they may consider credit reports as a basis for employment decisions.
- In requiring that credit reports be "substantially related to the employee's current or potential job," that standard is extremely limited and subjective and disregards a variety of positions in which one's credit history may bear on the individual's trustworthiness as an employee. For example, jobs in industries such as childcare, eldercare, nursing homecare, and home security services may not be considered "substantially related" under the legislation.
- In today's electronic world, regardless of an employee's actual job responsibilities, he or she may still have access to information that could be used for harmful, unauthorized purposes, and a credit report may reveal circumstances justifiably calling into question an applicant's or employee's integrity. By limiting employers' use of credit reports to only those jobs deemed necessary under this legislation, employers are forced

to shoulder the burden of defending against Labor Department inquiries and the potential fines, even when complaints are meritless; and at a time when the state has limited resources for the additional investigative and hearing activity required to process complaints.

- H.B. 5061 unnecessarily duplicates federal law governing how and when employers can use consumer credit reports in hiring. The federal Fair Credit Reporting Act regulates employer background check procedures, requiring disclosures and opportunities for job applicants and employees to demonstrate that adverse background information is either inaccurate or irrelevant to job issues. Also, most businesses that provide background check services advise employers to refrain from conducting such checks unless it is relevant to the job in question.

In summary, H.B. 5061 may create another layer of regulation for employers to contend with in managing their workforces and hiring new employees, at a time when job retention and growth in the state should be the top priority in public policy.

Thank you for the opportunity to testify today.